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The Dow Chemical Company  
Midland, Michigan 48674

April 11, 2008

SUPERFUND DIV.  
REMEDIAL BRANCH  
(6SF-R)

VIA OVERNIGHT DELIVERY

Ms. Barbara A. Nann, Assistant Regional Counsel  
U.S. Environmental Protection Agency, Region 6  
Superfund Division (6RC-S)  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733

Mr. Gary G. Miller, Remedial Project Manager  
U.S. Environmental Protection Agency, Region 6  
Superfund Division (6SF-AP)  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733

**FINANCIAL ASSURANCE TO PERFORM REMAINING RI/FS WORK  
GULFCO MARINE MAINTENANCE SITE - FREEPORT, TEXAS  
FOR THE DOW CHEMICAL COMPANY**

Dear Ms. Nann and Mr. Miller:

Pursuant to Section XXIII ("Assurance of Ability to Complete Work"), Paragraph 83 of the Amended Unilateral Administrative Order for Remedial Investigation/Feasibility Study, effective January 31, 2008, ("UAO") for the above-referenced Site, The Dow Chemical Company ("Dow"), one of the Respondents in the UAO, is submitting the enclosed internal financial information to demonstrate it has sufficient assets available to perform the remaining work to be conducted at the Site under the UAO and to fund its current share of the costs of such work. The enclosed information is a Demonstration of Financial Assurance for Gulfco Marine Maintenance - CERCLA Facility letter dated April 11, 2008, with attachments, signed by Geoffrey E. Merszei, Executive Vice President and Chief Financial Officer.

Paragraph 83 states that the Respondents shall demonstrate financial assurance in an amount no less than the estimate of cost for the Remedial Investigation and Feasibility Study ("RI/FS") for the Site. Pastor, Behling & Wheeler, LLC ("PBW"), Project Coordinator for the Respondents performing the work, currently estimates that the costs for performing the remaining tasks of the RI/FS for the Site are approximately \$279,000. As the enclosed letter demonstrates, Dow has sufficient net worth and assets available to complete the remaining work and fund its current share of the costs of the remaining work.

If you have any questions, please contact Dow's outside legal counsel, Elizabeth Webb, at 512-469-6147.

Sincerely,

Neil C. Hawkins  
Vice President, Sustainability  
The Dow Chemical Company



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Ms. Barbara Nann and Mr. Gary Miller  
April 11, 2008  
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Enclosures: April 11, 2008 – Demonstration of Financial Assurance for Gulfco Marine  
Maintenance – CERCLA Facility  
April 11, 2008 – Independent Accountant's Report on Applying Agreed-Upon  
Procedures  
March 24, 2008 – Copy of Letter From Chief Financial Officer to Texas  
Commission on Environmental Quality  
The Dow Chemical Company 2007 10-K and Stockholder Summary

cc: Mike Kay, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674  
Michele Osmun, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674  
Rob Rouse, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674  
Elizabeth Webb, Thompson & Knight, LLP, 98 San Jacinto Blvd., Suite 1900, Austin, TX 78701



2030 DOW CENTER  
April 11, 2008

Gary Miller  
Remedial Project Manager  
US EPA Region 6  
1445 Ross Avenue  
Suite 1200  
Mail Code: 6SF-AP  
Dallas, TX 75202-2733

**DEMONSTRATION OF FINANCIAL ASSURANCE FOR  
GULFCO MARINE MAINTENANCE - CERCLA FACILITY**

Dear Sir:

I am the chief financial officer of The Dow Chemical Company, 2030 Dow Center, Midland, Michigan 48674. This letter is in support of this firm's use of the financial test to demonstrate financial assurance at the subject CERCLA facility.

1. This firm is a potentially responsible party at the following CERCLA facilities for which financial assurance is demonstrated. The current cost estimates covered by the test are shown for each facility:

<u>EPA ID#</u>	<u>NAME &amp; ADDRESS</u>	<u>COST ESTIMATES</u>
<b>REGION 5</b>		
MID00724724 Site ID #B5KF CERCLIS ID #MID980994354	Reach D – Tittabawassee River The Dow Chemical Company Midland Plant 1000 East Main Street 1790 Building Midland, Michigan 48667	Removal Work = \$6,000,000
Site ID #B5KF CERCLIS ID #MID980994354	Reach J/K – Tittabawassee River The Dow Chemical Company Midland, Michigan 48667	Removal Work = \$2,500,000
Site ID #B5KF CERCLIS ID #MID980994354	Reach O – Tittabawassee River The Dow Chemical Company Midland, Michigan 48667	Removal Work = \$5,000,000
<b>REGION 6</b>		
TXD055144539	Gulfc0 Marine Maintenance 906 Marlin Avenue Freeport, TX 77541 – 9630	Corrective Action = \$279,000
<b>REGION 8</b>		
91CV1042B	Brookhurst Superfund Site Mystery Bridge Road/US Highway 20 Natrona County, WY	Post Construction Monitoring = \$700,000

2. This firm guarantees, through the guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure or post-closure care of the following CERCLA facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None.

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

None.

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under Part 144. The current closure cost estimates are required by 40 CFR 144.62 are shown for each facility:

None.

6. RCRA liability. See the attached CFO Letter to Texas Commission on Environmental Quality dated March 24, 2008, for financial assurance applicable to facilities other than the CERCLA facilities listed above in paragraph 1.

Sum of current RCRA closure and post-closure cost estimates = \$447,123,968

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2007.

**PART B. CLOSURE OR POST-CLOSURE CARE AND LIABILITY COVERAGE**

**ALTERNATIVE II**

- |   |                   |           |
|---|-------------------|-----------|
| 1. Sum of current closure and post-closure cost estimates (total of all cost estimates listed above)  | \$461,602,968     |           |
| 2. Current bond rating of most recent issuance and name of rating service   | A- (S&P)          |           |
| 3. Date of issuance of bond   | December 13, 2001 |           |
| 4. Date of maturity of bond   | December 15, 2008 |           |
| 5.* Tangible net worth (if any portion of the closure or post-closure cost estimates is included in "total liabilities" on your financial statements you may add that portion to this line) | \$15,036,000,000  |           |
| 6.* Total assets in the U.S. (required only if less than 90% of assets are located in the U.S.)   | \$23,958,000,000  |           |
|   | <u>YES</u>        | <u>NO</u> |
| 7. Is line 5 at least \$10 million?   | X                 |           |
| 8. Is line 5 at least 6 times line 1?   | X                 |           |
| 9.* Are at least 90% of assets located in the U.S.? If not complete line 10.  |                   | X         |
| 10. Is line 6 at least 6 times line 1?  | X                 |           |

I hereby certify that the wording of this letter is substantially similar to the wording specified in 40 CFR 264.151(g) as such regulations were constituted on the date shown immediately below.

  
Geoffery E. Merszel  
Executive Vice President  
And Chief Financial Officer  
The Dow Chemical Company

April 11, 2008

cc: Michele Osmun, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674  
Rob Rouse, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674  
Elizabeth Webb, Thompson & Knight LLP, 98 San Jacinto Boulevard., Suite 1900,  
Austin, TX 78701

NOTE: Please direct all correspondence related to this letter to Michele Osmun, 2030 Dow Center, Midland, MI 48674. Phone (989) 636-5581 or Fax (989) 638-9636.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
The Dow Chemical Company  
Midland, Michigan

We have performed the procedures included in the Code of Federal Regulations ("CFR"), Title 40, Paragraph 264, Section 143 (40 CFR 264.143), which were agreed to by the U.S. Environmental Protection Agency, Region 6 – Remedial Project Manager and The Dow Chemical Company ("Dow"), solely to assist the specified parties in evaluating Dow's compliance with the financial test option as of December 31, 2007, included in the accompanying letter dated April 11, 2008 from Mr. Geoffery E. Merszei of Dow (the "Letter"). Management is responsible for Dow's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants as adopted by the Public Company Accounting Oversight Board ("PCAOB"). The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

We recomputed from, or reconciled to, the audited consolidated financial statements of Dow as of and for the year ended December 31, 2007, on which we have issued our report dated February 14, 2008 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for defined benefit pension and other postretirement plans to conform to Statement of Financial Accounting Standards No. 158) the information included in Items 5, 6 and 9 under the caption Alternative II in the Letter referred to above and noted no differences.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated April 11, 2008. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of Dow and the specified parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

April 11, 2008



The Dow Chemical Company  
Midland, Michigan 48674

2030 DOW CENTER  
March 24, 2008

Mr. Mark Stuebner  
Director  
Texas Commission on Environmental Quality  
12100 Park 35 Circle  
Austin, TX 78753

LETTER FROM CHIEF FINANCIAL OFFICER

Dear Mr. Stuebner:

I am the chief financial officer of The Dow Chemical Company, 2030 Dow Center, Midland, Michigan, 48674. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure, post closure, or corrective action as specified in 30 Texas Administrative Code (TAC) Chapter 37 (relating to Financial Assurance).

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in 30 TAC §37.541 (relating to Financial Test for Liability):

<u>EPA ID#</u>	<u>NAME/ADDRESS</u>	
<u>REGION 6</u> TXD008092793	The Dow Chemical Company Texas Operations B-1226 Freeport, TX 77541	<b>Sudden = \$2,000,000</b> <b>Nonsudden = \$6,000,000</b>
TXR000057414	The Dow Chemical Company Clear Lake Operations 9502B Bayport Boulevard Pasadena, TX 77507	<b>Sudden = \$2,000,000</b>

The firm identified above guarantees, through the guarantee specified in 30 TAC §37.551 (relating to Corporate Guarantee for Liability), liability coverage for both sudden and nonsudden accidental occurrences at the following facilities owned or operated by the following:

None.

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

1. The firm identified above owns or operates the following facilities in Texas for which financial assurance for closure, post closure, or corrective action or liability coverage is demonstrated through a financial test specified in 30 TAC Chapter 37. The current cost estimates covered by the test are shown for each facility:

**REGION 6**

TXD008092793	The Dow Chemical Company Texas Operations B-1226 Freeport, TX 77541	<b>Closure = \$66,827,825</b> <b>Post-Closure = \$6,954,688</b> <b>Corrective Action = \$169,672,446</b>
TXD000017756	The Dow Chemical Company La Porte Facility PO Box 687 La Porte, TX 77571	<b>Corrective Action = \$4,250,000</b>
TXR000057414	The Dow Chemical Company Clear Lake Operations 9502B Bayport Boulevard Pasadena, TX 77507	<b>Closure = \$964,775</b>

2. The firm identified above guarantees, through a corporate guarantee specified in 30 TAC Chapter 37, the cost for closure, post closure, corrective action, or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates so guaranteed are shown for each facility:

**REGION 6**

TXD096037932 Used Oil #A85819	Johann Haltermann Ltd. Dow Haltermann Houston Jacintoport Plant 16717 Jacintoport Boulevard Houston, TX 77015	<b>Closure = \$300,387</b>
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3. In States where TCEQ is not administering the financial requirements of 30 TAC Chapter 37, this firm, as owner, operator, or guarantor, is demonstrating financial assurance for the closure, post closure, or corrective action of the following facilities through the use of a test equivalent to a financial test specified in 30 TAC Chapter 37. The current cost estimates covered by such a test are shown for each facility:

**REGION 1**

CT001159730	The Dow Chemical Company Allyn's Point Route 12 Gales Ferry, CT 06335	<b>Closure = \$178,605</b>
NHD048724173	Hampshire Chemical Corp. 2 East Spit Brook Road Nashua, NH 03060-5633	<b>Corrective Action = \$1,300,000</b>

**REGION 4**

GAD045929643	The Dow Chemical Company Dalton Plant 1468 Prosser Drive, SE Dalton, GA 30720	<b>Corrective Action = \$4,153,675</b>
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**REGION 5**

MID000724724      The Dow Chemical Company      **Closure = \$101,285,084**  
MI Division/MI Plant      **Post-Closure = \$2,423,320**  
1261 Building  
Midland, MI 48674

MID980617435      The Dow Chemical Company      **Closure = \$7,213,807**  
MI Division/Salzburg Plant      **Post-Closure = \$1,558,084**  
Salzburg & Waldo Roads  
Midland, MI 48640

OHD039128913      The Dow Chemical Company      **Closure = \$173,248**  
Hanging Rock Plant  
Old 52 Highway  
Ironton, OH 45638

**REGION 6**

LAD008187080      The Dow Chemical Company      **Closure = \$2,359,031**  
Louisiana Division      **Post-Closure = \$514,441**  
PO Box 150      **Corrective Action = \$1,269,000**  
Plaquemine, LA 70764

LAD020597597      Angus Chemical Company      **Closure = \$121,632**  
Sterlington Facility  
PO Box 1325  
Sterlington, LA 71280

**REGION 9**

CAD076528678      The Dow Chemical Company      **Closure = \$2,839,236**  
Pittsburg Plant      **Postclosure = \$1,883,745**  
PO Box 1398      **Corrective Action = \$60,866,498**  
Pittsburg, CA 94565      **Groundwater Treatment Plant**  
**Closure = \$156,225**

CAD009547050      The Dow Chemical Company      **Closure = \$484,823**  
Torrance Plant  
305 Crenshaw  
Torrance, CA 90503

4. The firm identified above owns or operates the following facilities for which financial assurance for closure, post closure, or corrective action, is not demonstrated either to TCEQ, a federal agency or a State through the financial test or any other financial assurance mechanisms specified in 30 TAC Chapter 37 or equivalent State mechanisms. The current cost estimates not covered by such financial assurance are shown for each facility:

None.

5. This firm is the owner or operator or guarantor of the following facilities for which financial assurance is being demonstrated under other EPA regulations or state programs authorized by EPA through a financial test or guarantee. The following amounts have not been included in Paragraphs 1 through 4.

(a) Municipal solid waste management facilities under 30 TAC Chapter 330, 40 CFR part 258 or equivalent: None.

(b) Underground injection control facilities under 30 TAC Chapter 331, 40 CFR part 144 or equivalent: \$769,588

**REGION 6**

ARD982286874	The Dow Chemical Company Highway 371 Magnolia, AR 71753	<b>Plugging &amp; Abandonment = \$528,391</b>
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LAD020597597	Angus Chemical Company Sterlington Facility PO Box 1325 Sterlington, LA 71280	<b>Plugging &amp; Abandonment = \$241,197</b>
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(c) Petroleum underground storage tank facilities under 30 TAC Chapter 334, and 40 CFR part 280 or equivalent: None.

(d) PCB storage facilities under 40 CFR part 761 or equivalent: None.

(e) Hazardous waste treatment, storage, and disposal facilities under 30 TAC Chapter 335, 40 CFR parts 264 and 265 or equivalent: \$8,603,805

**30 TAC 335/EQUIVALENT:**

**REGION 1**

072-IL	The Dow Chemical Company Allyn's Point Route 12 Gales Ferry, CT 06335	<b>Closure = \$178,605</b>
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**REGION 6**

GPD0470107 P-0069	The Dow Chemical Company Block 80 Industrial Solid Waste Landfill Pactherm Burner PO Box 150 Plaquemine, LA 70765	<b>Closure = \$6,246,830 Post-Closure = \$1,197,689 Pactherm Closure = \$27,725</b>
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GD0733625	Angus Chemical Company Waste Water Treatment Plant Lagoon 5000 Horeshoe Lake Road Sterlington, LA 71280	<b>Closure = \$624,785 Post-Closure = \$328,171</b>
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(f) Additional environmental obligations not shown above: None.

Total (a) - (f) \$9,373,393

This owner, operator, or guarantor has not received an adverse opinion, a disclaimer of opinion, or a going concern qualification from an independent auditor on its financial statements for the latest completed fiscal year.

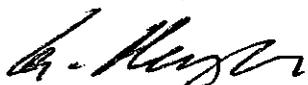
This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2007.

**PART B. CLOSURE, POST CLOSURE, CORRECTIVE ACTION, AND LIABILITY COVERAGE**

**ALTERNATIVE II**

1. Sum of current closure, post closure, and corrective action cost estimates (total of all cost estimates listed above)	\$447,123,968		
2.. Amount of annual aggregate liability coverage to be demonstrated	\$8,000,000		
3. Sum of lines 1 and 2	\$455,123,968		
4. Current bond rating of most recent issuance and name of rating service	A- (S&P)		
5. Date of issuance of bond	December 13, 2001		
6. Date of maturity of bond	December 15, 2008		
*7. Tangible net worth (if any portion of the current cost estimates is included in total liabilities you may add that portion to this line)	\$15,036,000,000		
*8. Total assets in the U.S. (Required only if less than 90% of assets are located in the U.S.)	\$23,958,000,000		
		<u>YES</u>	<u>NO</u>
9. Is line 7 at least \$10 million?		X	
10. Is line 7 at least 6 times line 3?		X	
*11. Are at least 90% of assets located in the U.S.? (If not, complete line 12)			X
12. Is line 8 at least 6 times line 3?		X	

I hereby certify that the wording of this letter is identical to the wording specified in 30 TAC §37.651 as such regulations were constituted on the date shown immediately below.

*RWC/ MRO*  
  
Geoffery E. Merszei  
Executive Vice President  
And Chief Financial Officer  
The Dow Chemical Company

March 24, 2008

cc: Janice Barber, The Dow Chemical Company, La Porte, TX  
Steve Beisser, The Dow Chemical Company, La Porte, TX  
Alan Booth, The Dow Chemical Company, Freeport, TX  
Jeff Jack, Johann Haltermann Ltd., Houston, TX  
Michele Osmun, The Dow Chemical Company, 2030 Dow Center, Midland, MI  
Barbara Partridge, The Dow Chemical Company, Pasadena, TX

NOTE: Please direct all correspondence related to this letter to Michele Osmun, 2030 Dow Center, Midland, MI 48674. Phone (989) 636-5581 or Fax (989) 638-9636.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
The Dow Chemical Company  
Midland, Michigan

We have performed the procedures included in the Code of Federal Regulations ("CFR"), Title 40, Part 264, Section 143 (40 CFR 264.143), which were agreed to by the Texas Commission on Environmental Quality - Director and The Dow Chemical Company ("Dow"), solely to assist the specified parties in evaluating Dow's compliance with the financial test option as of December 31, 2007, included in the accompanying letter dated March 24, 2008 from Mr. Geoffery E. Merszei of Dow (the "Letter"). *Management is responsible for Dow's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants as adopted by the Public Company Accounting Oversight Board ("PCAOB").* The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

We recomputed from, or reconciled to, the audited consolidated financial statements of Dow as of and for the year ended December 31, 2007, on which we have issued our report dated February 14, 2008 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for defined benefit pension and other postretirement plans to conform to Statement of Financial Accounting Standards No. 158) the information included in Items 7, 8 and 11 under the caption Alternative II in the Letter referred to above and noted no differences.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated March 24, 2008. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of Dow and the specified parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte & Touche LLP*

March 24, 2008

Regression of TOC MW-24S  
South Area Cap (Start Date 10/01/90)

